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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

MAILED

OCT 31 2007

GROUP 3600

Application Number: 09/785,783
Filing Date: February 16, 2001
Appellant(s): FOSTER, ROBERT A.

Edward C. Kwok
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 7/12/07 appealing from the Office action mailed 11/7/06.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

6101484	Halbert et al.	8-2000
6324522	Peterson et al.	11-2001

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC §103

1. The following is a quotation of 35 U.S.C. §103(a) which forms the basis for all obviousness rejections set forth in this Office Action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

The following rejection was presented in the Final Office Action along with the following Response to Arguments to provide clarification:

Claims 1-38 are rejected under 35 U.S.C. §103(a) as being unpatentable over Halbert et. al. (U.S. 6,101,484) ("Halbert") in view of Peterson et. al. (U.S. 6,324,522 B2) ("Peterson").

Halbert discloses a method/computer storage medium for pricing transactions in real-time, comprising: defining a first transaction (the purchase of a product or service) with a first production service being a component of the transaction (the service is a sub component of the featured or sold product, see C4, ~ L25-29 which states "Featured Product: Any product or product variant identified for sale through a co-op. For purposes

of this application, the term `featured product` includes any services which might be identified for sale through a co-op."); determining a count of first production service instances (determining a count of products purchased by a particular consumer); determining a billable entity for the transaction with the billable entity being at least one financial account (the customer's account number such as credit card or checking account number is on file in the system); determining a price applicable to the total of the first production service instances (the price is based upon the aggregate of all the products purchased to take advantage of volume discounting). Halbert does not directly disclose requesting a price quote.

Peterson directly discloses requesting a quote at column 27 (*i.e.* C27). Therefore it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Halbert to include Peterson's ability to ask for a price quote. By including a price quote feature in Halbert, Before any of the purchasing in Halbert begins, a user may simply ask the system for an initial price quote to get a minimum starting point of where the price begins. By getting an initial price quote, the customer is in a better position to evaluate the benefits of joining Halbert's system.

2. For types purchasing contracts, see also reference Purchasing & Supply Management, Text and Cases, 6th Ed. by Dobler et. al. ("Dobler"), pp 86-89.

3. For due process purposes and because Applicant has not objectively indicated and redefined claim limitation(s) to have meanings other than their ordinary and accustomed meanings, the Examiner confirms that Applicant has decided not to be his own lexicographer. To support this position, the Examiner again notes the following

factual findings as first discussed in the previous Office Actions.[1] First, the Examiner has again carefully reviewed the specification and prosecution history and can not locate any lexicographic definition(s). Second, the Examiner finds that not only has Applicant not pointed to definitional statements in his specification or prosecution history, Applicant has also not pointed to a term or terms in a claim with which to draw in those statements[2] with the required clarity, deliberateness, and precision.[3] Third, after receiving express notice of the Examiner's position that lexicography is *not* invoked,[4] Applicant's three (3) responses have not pointed out the "supposed errors" in the Examiner's position regarding lexicography invocation in accordance with 37 C.F.R. §1.111(b) (*i.e.* Applicant did not argue lexicography *was* invoked). Forth and to be sure of Applicant's intent, the Examiner also notes that Applicant has declined the Examiner's express invitation[5] to be his own lexicographer. Finally, after receiving

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[1] See the "First Non Final Office Action" mailed March 30, 2004, Paragraph No. 12; the "First Final Office Action" mailed October 14, 2004, Paragraph No. 18.

[2] "In order to overcome this heavy presumption in favor of the ordinary meaning of claim language, it is clear that a party wishing to use statements in the written description to confine or otherwise affect a patent's scope must, *at the very least*, point to a term or terms in the claim with which to draw in those statements. [Emphasis added.]" *Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985, 989, 50 USPQ2d 1607, 1610 (Fed. Cir. 1999).

[3] "The patentee's lexicography must, of course, appear 'with reasonable clarity, deliberateness, and precision' before it can affect the claim." *Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1249, 48 USPQ2d 1117, 1121 (Fed. Cir. 1998) citing *In re Paulsen*, 30 F.3d 1475, 1480, 31 USPQ2d 1671, 1674 (Fed. Cir. 1994).

[4] See Note 1.

[5] See *e.g. Fuji Photo Film Co. v. ITC*, 386 F.3d 1095, 72 USPQ2d 1769, 1773 (Fed. Cir. 2004) (noting that applicants' failure to correct the examiner's characterization of an element of claim interpretation is nevertheless an indication of how a claim should be

express notice of the preceding factual findings and conclusions, Applicant's latest response again fails to point out the supposed errors in the Examiner's position regarding lexicography invocation in accordance with 37 C.F.R. §1.111(b). Moreover, Applicant's latest response—while fully considered by the Examiner—has not changed the Examiner's reasonable conclusion that Applicant has decided not to be his own lexicographer. Therefore (and unless expressly noted otherwise by the Examiner), the heavy presumption in favor of the ordinary and accustomed meaning for claim terminology is again confirmed. Accordingly, the claims continue to be interpreted with their "broadest reasonable interpretation," *In re Morris*, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997), and the Examiner continues to rely heavily and extensively on this interpretation.[6]

The following Response to Arguments was presented in the Final Office Action:

Applicant's arguments filed 6/26/06 have been fully considered but they are not persuasive.

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interpreted since applicant declined the examiner's express invitation to correct a possible error in claim interpretation: "applicant's attention was called to the examiner's interpretation of [how the element was interpreted by the examiner, and] applicant was invited to correct the examiner's interpretation—an invitation the applicant did not accept."

[6] See 37 C.F.R. §1.104(c)(3) which states in part: "the examiner may rely upon admissions by applicant . . . as to *any matter* affecting patentability . . . . [Emphasis added.]"

Applicant has argued that the meaning the Examiner has ascribed to the term "transaction" is totally irrelevant as the Applicant's Specification defines the meaning of the term. Applicant states the Specification provides on page 4 lines 31-33 a definition for "Transaction". Examiner points out that on page 4 of the specification there is no definition provided, but only a list of files. Examiner further points out that the presented definition is not a lexographic definition as per MPEP 2111.01. MPEP 2111.01 states that while the claims of issued patents are interpreted in light of the specification, prosecution, history, prior art and other claims, this is not the mode of claim interpretation to be applied during examination, that words of the claim must be given their plain meaning unless applicant has provided a ***clear*** definition in the specification. The definition of "transaction" presented in the Applicant's Amendment is unclear as it states that a transaction refers to a product or service that is offered for consumption, but does not state what is actually being claimed as a "transaction". Webster defines a transaction to include an ***exchange*** of goods, services and funds. Is the Applicant merely claiming the offering of goods or services and no actual exchange? It remains unclear if the Applicant is claiming an "offer" or an actual "transaction" where an exchange occurs.

Applicant has argued that "Halbert's col. 4, lines 25-29 discloses or suggests none of the "determining" steps in Claims 1, 9 and 26, each of which reciting a billing cycle, production service instances and a pricing method". Examiner notes that the rejection is based on the Halbert reference, not just col. 4, lines 25-29. Examiner contends that Halbert discloses all the determining steps. For example the determining

of a first production service (C4, lines 25-29 disclose where the featured product includes services which is inherently determined when the seller offers the services for sale via the system), the first production service being a component of the transaction (for example in the sale of a service the service is a component of the transaction. Examiner, for example, construes this to include services such as the sale of a service warranty contract.);

Determining a count of first production service instances representing the first production service in the transaction (Examiner construes the count to be a count of the number of services which is being purchased. In the Example provided above on the sale of service warranty contracts this would include the number of service warranty contracts being purchased); determining a billable entity for the transaction (such as the customer's credit card number, for example see column 3, lines 7+), the billable entity comprising one or more related accounts, wherein the one or more related accounts includes the first account (if there is only one account then the "related accounts" comprise the credit card account which includes the first account which is also the credit card account); determining a total of the first production service instances associated with the one or more related accounts during the billing cycle up tot the first instance in time, the total including the count of the first production service instances in the transaction (Halbert discloses, for example in the abstract, that the sale has a defined start time and end time which the Examiner is construing to be a "billing cycle". When the sale ends a total of the number of services sold is inherently used in order to calculate the amount to be charged to the buyer's credit card account in order to obtain

adequate funds. For example if only one service is purchased, then only one is charged. If two are purchases the amount per service is multiplied by 2 to get the total due prior to charging the credit card account.); determining a price applicable to the total of the first production service instances based on a pricing method (Halbert disclose the determining of a price based on a pricing method, for example in the abstract it discusses how the system uses a starting price and a product cost curve. In Halbert the cost is reduced as the number of goods/services purchased increases to take advantage of group buying discounting.)

(10) Response to Argument

1) Appellant has provided clarification regarding the 112 second paragraph rejection.

Examiner agrees and withdraws the 112 Rejection.

2) Appellant has argued that the Examiner does not disclose or suggest the "determining" steps in the limitations of Applicant's Claims 1, 9 and 26, each of which recite a billing cycle, production service instances and a pricing method.

Examiner disagrees and provides the same explanation regarding the "determining" steps as provided in the Response to Arguments section of the Final Action:

Examiner contends that Halbert discloses all the determining steps. For example the determining of a first production service (C4, lines 25-29 disclose where the featured product includes services which is inherently determined when the seller offers the

services for sale via the system), the first production service being a component of the transaction (for example in the sale of a service the service is a component of the transaction. Examiner, for example, construes this to include services such as the sale of a service warranty contract.);

Determining a count of first production service instances representing the first production service in the transaction (Examiner construes the count to be a count of the number of services which is being purchased. In the Example provided above on the sale of service warranty contracts this would include the number of service warranty contracts being purchased);

determining a billable entity for the transaction (such as the customer's credit card number, for example see column 3, lines 7+), the billable entity comprising one or more related accounts, wherein the one or more related accounts includes the first account (if there is only one account then the "related accounts" comprise the credit card account which includes the first account which is also the credit card account);

determining a total of the first production service instances associated with the one or more related accounts during the billing cycle up to the first instance in time, the total including the count of the first production service instances in the transaction (Halbert discloses, for example in the abstract, that the sale has a defined start time and end time which the Examiner is construing to be a "billing cycle". When the sale ends a total of the number of services sold is inherently used in order to calculate the amount to be charged to the buyer's credit card account in order to obtain adequate funds. For example if only one service is purchased, then only one is charged. If two are

purchases the amount per service is multiplied by 2 to get the total due prior to charging the credit card account.);

determining a price applicable to the total of the first production service instances based on a pricing method (Halbert disclose the determining of a price based on a pricing method, for example in the abstract it discusses how the system uses a starting price and a product cost curve. In Halbert the cost is reduced as the number of goods/services purchased increases to take advantage of group buying discounting.)

3) Appellant has argued that the Examiner has construed the term "one or more related accounts" as a credit card account and therefore the "billing cycle" for such an account cannot be the "start time" and the "end time" of a single transaction (as the Examiner construed), but rather the time period when transactions are allowed to accumulate in the credit card account and because of this Halbert's price determination for a single transaction, does not meet Claim 1's limitation "determining a price applicable to the total the first production service instances based on a pricing method", as Halbert does not disclose or suggest determining a price for a transaction based on the total up-to-date transactions in the credit card account in the present billing cycle.

Examiner contends that Halbert does disclose the claimed limitations. Examiner notes that the scope of the claim is broad enough to encompass the scenario of only one charge for services being made to one account, which Halbert discloses. In this scenario the billing cycle ends when the credit card account is charged for the purchase which includes service plans associated with items for sale. The billing cycle is not construed to be the billing cycle of the credit card company, it is the period of time before the credit card account is charged.

4) Appellant has further argued that Halbert relates to the operation of an on-line purchasing group while the claims relate to the operations of a service provider in pricing its products. Halbert's disclosure of the operations on the buyer's side is simply irrelevant.

Examiner contends that Halbert relates to the operation of a service provider in pricing its products as the Halbert system generates pricing for services provided.

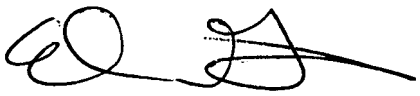
In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., on line purchasing group) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,



Elaine Gort

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